

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

CHARLES MORRIS,
Individually and as Minority Shareholder
of PlayData LLC,

Plaintiff,

Case No.
Honorable

vs

PLAYDATA, LLC,
An Ohio limited liability company, and

TIMOTHY J. LOCK,
Individually and as Managing Member
and Officer of PlayData LLC, and

WILLIAM T. BALES,
Individually and as Director and Officer
of PlayData LLC,

Jointly and Severally,

Defendants.

George Truchan (P37255)
David Stimpson (P64583)
Attorneys for Plaintiff
108 W. Chicago Blvd.
Tecumseh, MI 49286
(517) 423-0999

PlayData, LLC
Samuel Osnowitz, Registered Agent
Defendant
2727 N. Holland Sylvania Rd. Ste. K
Toledo, OH 43615
(419) 531-1021

Timothy J. Lock
Defendant
411 Huronview Blvd., Ste. 200
Ann Arbor, MI 48103

William T. Bales
Defendant
5955 Winslow Road
Whitehouse, OH 43571

COMPLAINT AND JURY DEMAND

Charles Morris, individually and as minority shareholder of PlayData LLC, a limited liability company of the state of Ohio, authorized to transact business in the state of Michigan, by

and through his attorneys, George Truchan and David Stimpson, complains against Defendants as follows:

The Parties

1. Plaintiff, Charles Morris, is an individual whose residence is located in the state of Michigan.
2. Plaintiff, Charles Morris, is a minority shareholder of PlayData LLC.
3. Defendant PlayData LLC is a limited liability company organized and existing under the laws of the state of Ohio (Ohio Registration Number 1715009), and is authorized to transact business in the state of Michigan (Michigan Registration Number D9017L).
4. The registered agent for PlayData LLC with the state of Ohio is Samuel Osnowitz, and the Ohio registered office is located at 2727 N. Holland Sylvania Rd. Ste. K, Toledo, OH 43615.
5. The registered agent for PlayData LLC with the state of Michigan is Timothy J. Lock, and the Michigan registered office is located at 411 Huronview Blvd., Ste. 200, Ann Arbor, MI 48103.
6. Defendant Timothy J. Lock is an individual whose residence is located in the state of Michigan.
7. Defendant Timothy J. Lock is an officer, director, and majority shareholder of PlayData LLC.
8. Defendant William T. Bales is an individual, was an officer, and is a shareholder of PlayData LLC, whose residence is located in the state of Ohio.
9. Defendant William T. Bales was an officer and director, and currently is a shareholder and note holder of PlayData LLC.

Jurisdiction

10. Plaintiff incorporates herein as if fully rewritten paragraphs 1 through 9 of his Complaint.

11. Jurisdiction and venue for this suit for minority shareholder oppression are proper in this Court of original jurisdiction pursuant to R.C. 2305.01 and the laws of Michigan, as all events, activities, and omissions relevant to this litigation occurred in Michigan.

12. This is a direct, and not derivative, action brought by Plaintiff Charles Morris as he is situated dissimilarly to all other shareholders of PlayData LLC in that he has no representation on the board of directors, neither he nor anyone in his direct family is employed by PlayData LLC and he has no current opportunity to participate in the economic success and profits of PlayData LLC.

Background Facts

13. Plaintiff incorporates herein as if fully rewritten paragraphs 1 through 12 of his Complaint.

14. PlayData LLC is a company who creates tracking technology for cameras for sports transacting business in Michigan.

15. PlayData LLC is a close corporation as it is owned by few shareholders and such shares are not generally traded on a securities market.

16. The only shareholders of Class B stock of PlayData LLC are Defendants Timothy J. Lock and William T. Bales.

17. Plaintiff Charles Morris is a minority shareholder of PlayData LLC with 14.013% ownership of Class A stock as of 12/31/2011.

18. Defendant Timothy J. Lock is a majority shareholder and the largest shareholder of PlayData LLC with 51.569% ownership of Class B stock as of 12/31/2011.

19. Defendant William T. Bales is the second largest shareholder of PlayData LLC with 21.580% ownership of Class B stock as of 12/31/2011.

20. Defendants Timothy J. Lock and William T. Bales have both acted as managing members and officers of PlayData LLC.

21. Plaintiff has not acted in capacity as an officer or managing member of the company since its formation.

22. PlayData LLC, by and through Defendants Timothy J. Lock and William T. Bales, diverted shares of stock by forming a second class of stock (Class B) with priority to Defendants.

23. Since its formation in July of 2007, the business has been under the ownership and management of a close network of individuals, specifically Defendants Timothy J. Lock and William T. Bales.

24. From 2007 to 2010, and under the management of Defendants Timothy J. Lock and William T. Bales, PlayData LLC should have been profitable yielding respectable dividends for its shareholders, however due to Defendant William T. Bales negotiated on behalf of PlayData LLC and signing as chief executive officer (CEO) of AboutGolf Limited LLC contracts and/or other binding agreements below market value for royalties AboutGolf Limited LLC was to pay to PlayData LLC.

25. AboutGolf Limited LLC, an Ohio limited liability company. AboutGolf Limited LLC manufactures simulators and utilizes the tracking technology created and produced by PlayData LLC for use in its equipment.

26. Defendant William T. Bales as CEO of AboutGolf Limited LLC had and continues to have an indirect and continuing interest in AboutGolf Limited LLC through his ownership in Contus Corporation.

27. Contus Corporation created, produces, and owns proprietary rights to the software AboutGolf Limited LLC utilizes for use in its equipment.

28. AboutGolf Limited LLC has proprietary contracts with PlayData LLC for the use of its technology which requires royalty payments be paid to PlayData LLC from AboutGolf Limited LLC for the same.

29. Defendant William T. Bales failed to disclose to the shareholders of AboutGolf Limited LLC his interest and his thirty-nine percent (39%) ownership in PlayData LLC at the time he was negotiating contractual agreements between the companies.

30. Since inception, no dividends have been declared or distributed by PlayData LLC to Plaintiff Charles Morris, nor are such dividends anticipated absent intervention and an order of this Court.

31. Instead, the economic success of PlayData LLC has been distributed to Defendants Timothy J. Lock and William T. Bales in the form of employee salaries and through contractual agreements through a correlated company, specifically AboutGolf Limited LLC, which has drastically reduced the value of PlayData LLC stock from one dollar (\$1.00) per share to ten cents (\$0.10) per share.

32. Defendant William T. Bales as CEO of AboutGolf Limited LLC and as managing member of PlayData LLC has authorized loans through the conversion of monies by way of convertible promissory notes without shareholder notice or approval for which PlayData LLC is now subjected to pay quarterly.

33. It is the belief of the minority shareholder, Plaintiff Charles Morris, that Timothy J. Lock and William T. Bales are manipulating the earnings of PlayData LLC by withholding revenue from AboutGolf Limited LLC and depressing the value of shares by paying salaries to acting directors, and through other means, contrary to the shareholders interest.

34. AboutGolf Limited LLC manufactures the simulators used in connection with the tracking technology created and produced by PlayData LLC.

35. PlayData LLC has been making the required payments on said loans by having sums withheld from AboutGolf Limited LLC royalty payments due to PlayData LLC pursuant to a royalty agreement negotiated and executed by Defendants William T. Bales and Timothy J. Lock, as well as making payments on Defendant William T. Bales and his father's convertible notes; as a direct result of these fraudulently authorized promissory notes the value of PlayData LLC stock has suffered a decrease in value of its stock.

36. Upon knowledge of these promissory notes and adverse effect of the same upon Plaintiff Charles Morris' stock, Plaintiff requested a shareholder's meeting be held.

37. From 2008 to present, PlayData LLC has had no annual or special board of directors meetings.

38. PlayData LLC has failed to comply with its Operating Agreement requiring an annual meeting be held each year the company is operational.

39. Only the managing member or the majority shareholders are authorized to call an annual or special meeting pursuant to section 5.5 of the Operating Agreement.

40. Plaintiff Charles Morris has requested copies of the organizational documents directly from PlayData LLC and PlayData LLC has failed to comply with his requests.

41. Plaintiff Charles Morris has requested copies of the organizational documents, shareholder certificates, tax returns, profit loss sheets, balance sheets, copies of all contracts with other vendors, and other company financials documents directly from PlayData LLC and PlayData LLC has failed to comply with his requests.

42. Plaintiff Charles Morris has also requested copies of the organizational documents, shareholder certificates, tax returns, profit loss sheets, balance sheets, and other company financials documents from Defendant Timothy J. Lock, who is acting as the managing member for PlayData LLC. To date Plaintiff Charles Morris has only received a copy of the 2011 tax return for PlayData LLC.

43. There is no ready or available market for such stock as it represents a minority ownership in a close corporation.

44. Under the Operating Agreement of PlayData LLC, shareholders elect the directors of the company, and directors in turn elect the officers, including President, Vice-President, Treasurer, and Secretary. A true and accurate copy of PlayData LLC's Operating Agreement is attached hereto as Exhibit A (less the signature page which was presumably intentionally removed from the copy provided to Plaintiff Charles Morris). Due to the circumstances, actions, and omissions outlined below, the Defendants Timothy J. Lock and William T. Bales control and seek to perpetuate control of PlayData LLC and its assets.

45. The requests and efforts of Plaintiff Charles Morris to schedule and convene a shareholders' meeting were rejected by PlayData LLC and the managing member.

46. Defendants Timothy J. Lock and William T. Bales have refused to schedule or hold a shareholders' meeting and director elections, thereby ensuring that the current 2-1 advantage in the directorship of PlayData LLC continues. Further, the Defendants Timothy J.

Lock and William T. Bales control of the directorship, up until December of 2011, has also ensured that the officers of PlayData LLC remain unchanged, thereby perpetuating Defendants Timothy J. Lock and William T. Bales positions as managers and officers.

47. As collective owners of a majority shareholders of the issued and outstanding stock of PlayData LLC, Defendants Timothy J. Lock and William T. Bales (through his respective interests in Tipton Clinton Bales Trust DTD 1995 and Wisaca LLC), by persisting in their refusal to schedule and hold a shareholders' meetings and director elections, can dictate that a quorum of shareholders is never present at any shareholder's meeting and therefore no actions, decisions, or changes can be effected by the minority shareholders of PlayData LLC.

48. If such deadlock situation persists, judicial dissolution of PlayData LLC will become necessary, but is not being requested by Plaintiff Charles Morris at this time.

49. This Court's intervention is necessary to ensure that Plaintiff Charles Morris, as a non-employee and minority shareholder of a close company, is able to enjoy his ownership rights and participate as entitled in the profits of PlayData LLC.

Count One

Breach of Good Faith and Fiduciary Obligation of Majority Shareholders in Oppressing Minority Shareholder Charles Morris

50. Plaintiff incorporates herein as if fully rewritten paragraphs 1 through 49 of his Complaint.

51. Defendants Timothy J. Lock and William T. Bales, through their refusal to schedule and hold a duly-noticed shareholders' meeting and director elections, has sought to perpetuate its existing 2-1 advantage in the directorship of PlayData LLC, refusing to enable

Plaintiff Charles Morris to be represented on the board of directors and oppressing him as a minority shareholder of PlayData LLC.

52. Defendants Timothy J. Lock and William T. Bales, as a controlling block of shareholders of PlayData LLC and the controlling directors thereof, control, conduct, manage, and direct the affairs of PlayData LLC.

53. Defendants Timothy J. Lock and William T. Bales failed to undertake the control, conduct, management, and direction of PlayData LLC in the utmost good faith and loyalty and a duty of dealing fairly with other shareholders.

54. Defendants Timothy J. Lock and William T. Bales as managers and officers were held to the strictest accountability, and their conduct is subject to the closest scrutiny as against the rights of a minority shareholder whose interests are indirectly and directly under their control as managing members and majority shareholders of PlayData LLC.

55. Defendants Timothy J. Lock and William T. Bales as managers and officers, control, conduct, manage, and direct the affairs of PlayData LLC to their own interest and benefit as to oppress the minority shareholders and commit a fraud upon his rights by denying him an equal opportunity to participate in the economic success of PlayData LLC.

56. Defendants Timothy J. Lock and William T. Bales refusal to allow or participate in appropriate director elections results in their perpetuated control of the directorship of PlayData LLC, thereby continuing the excessive and unreasonable salaries of the Defendants under PlayData LLC and AboutGolf Limited LLC and further reducing the company profits that would be otherwise available to be distributed as dividend income to Plaintiff Charles Morris on a basis proportionate to his ownership share.

57. Similarly, Defendants Timothy J. Lock and William T. Bales refusal to allow and participate in appropriate director elections and their efforts to perpetuate control of the directorship of PlayData LLC continues the now-inequitable practice of refusing to declare and distribute regular dividends, which dividends are the sole avenue by which Plaintiff Charles Morris, as a minority shareholder, may participate in the profits of PlayData LLC.

58. AboutGolf Limited LLC has proprietary contracts with PlayData LLC for the use of its technology which requires royalty payments be paid to PlayData LLC.

59. It is the belief of the minority shareholder, Plaintiff Charles Morris, that Timothy J. Lock and William T. Bales are manipulating the earnings of PlayData LLC by withholding revenue from AboutGolf Limited LLC and depressing the value of shares by paying salaries to acting directors contrary to the shareholders interest.

60. As a direct and proximate result of the actions of Defendants Timothy J. Lock and William T. Bales as outlined above, Plaintiff Charles Morris has been and will continue to be harmed.

Count Two

Breach of Good Faith and Fiduciary Obligation of Controlling Directors in Oppressing Charles Morris

61. Plaintiff incorporates herein as if fully rewritten paragraphs 1 through 60 of his Complaint.

62. Defendants Timothy J. Lock and William T. Bales, as controlling directors of PlayData LLC have a fiduciary relationship to the corporation's shareholders.

63. Defendants Timothy J. Lock and William T. Bales have sought to improperly perpetuate their excessive and unreasonable salaries as employees of PlayData LLC, as well as the excessive and unreasonable correlations and sales with AboutGolf Limited LLC.

64. Further, Defendants Timothy J. Lock and William T. Bales improperly continue the practice of refusing to declare and distribute regular dividends, which dividends are the sole avenue by which Plaintiff Charles Morris, as a minority shareholder, may participate in the profits of PlayData LLC.

65. AboutGolf Limited LLC has proprietary contracts with PlayData LLC for the use of its technology which requires royalty payments be paid to PlayData LLC.

66. It is the belief of the minority shareholder, Plaintiff Charles Morris, that Timothy J. Lock and William T. Bales are manipulating the earnings of PlayData LLC by withholding revenue from AboutGolf Limited LLC and depressing the value of shares by paying salaries to acting directors contrary to the shareholders interest.

67. As a direct and proximate result of the actions of Defendants Timothy J. Lock and William T. Bales as outlined above, Plaintiff Charles Morris has been and will continue to be harmed.

Count Three

Breach of Good Faith and Fiduciary Obligation of Controlling Officer in Oppressing Charles Morris

68. Plaintiff incorporates herein as if fully rewritten paragraphs 1 through 67 of his Complaint.

69. Defendants Timothy J. Lock and William T. Bales as officers of PlayData LLC, occupy a fiduciary relationship with the shareholders of the company.

70. By means of Defendants past treatment of Plaintiff Charles Morris, Defendants have created an environment in which Plaintiff Charles Morris cannot be employed and enjoy, like all other shareholders with an ownership in PlayData LLC, an above-market salary in order to participate in the economic success and profits of PlayData LLC.

71. AboutGolf Limited LLC has proprietary contracts with PlayData LLC for the use of its technology which requires royalty payments be paid to PlayData LLC.

72. It is the belief of the minority shareholder, Plaintiff Charles Morris, that Timothy J. Lock and William T. Bales are manipulating the earnings of PlayData LLC by withholding revenue from AboutGolf Limited LLC and depressing the value of shares by paying salaries to acting directors contrary to the shareholders interest.

73. As a direct and proximate result of the actions of Defendants Timothy J. Lock and William T. Bales as outlined above, Plaintiff Charles Morris has been and will continue to be harmed.

Count Four

Civil Conspiracy in Oppressing Charles Morris

74. Plaintiff incorporates herein as if fully rewritten paragraphs 1 through 73 of his Complaint.

75. Defendants Timothy J. Lock and William T. Bales acted in combination in refusing to participate in appropriate and necessary shareholders' meetings and elections, for the sole purpose and intent of perpetuating the existing 2-1 advantage for Defendants in the PlayData LLC directorship.

76. Further, such 2-1 director advantage perpetuates Defendants officer statuses with PlayData LLC, thereby vesting Defendants Timothy J. Lock and William T. Bales with

inappropriate control over both the day-to-day operations of PlayData LLC as well as its treasury.

77. Defendants Timothy J. Lock and William T. Bales acted in malice and in derogation of their fiduciary duties in conspiring to oppress minority shareholder Plaintiff Charles Morris by preventing him, as a non-employee, from sharing in the economic success and profits of PlayData LLC.

78. AboutGolf Limited LLC has proprietary contracts with PlayData LLC for the use of its technology which requires royalty payments be paid to PlayData LLC.

79. It is the belief of the minority shareholder, Plaintiff Charles Morris, that Timothy J. Lock and William T. Bales are manipulating the earnings of PlayData LLC by withholding revenue from AboutGolf Limited LLC and depressing the value of shares by paying salaries to acting directors contrary to the shareholders interest.

80. As a direct and proximate result of the actions of Defendants Timothy J. Lock and William T. Bales as outlined above, Plaintiff Charles Morris has been and will continue to be harmed.

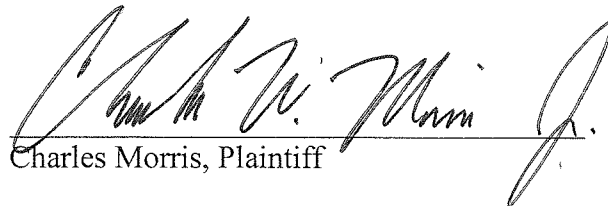
WHEREFORE, Plaintiff Charles Morris, individually and as minority shareholder of PlayData LLC, respectfully requests this Honorable Court:

- A. For an order of this Court requiring all salaries and bonuses of officers and directors of PlayData LLC be set to rates reasonable and customary to comparable positions in immediately surrounding areas;
- B. For an order of this Court requiring Defendants Timothy J. Lock and William T. Bales to schedule and hold a meeting of the shareholders of

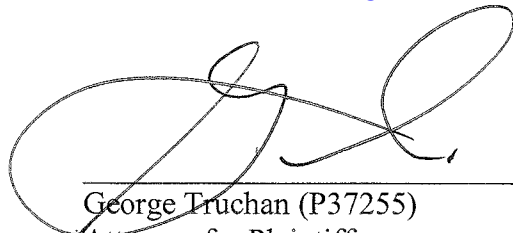
PlayData LLC for the purpose of electing directors and officers of the company in keeping with past and established practice;

- C. For judgment against Defendants Timothy J. Lock and William T. Bales, jointly and severally, in an amount equal to the salaries, over and above reasonable and customary salaries for comparable positions for their positions paid to each since 2007, such amount in excess of \$75,000 and to be proven at trial;
- D. For judgment against Defendants Timothy J. Lock and William T. Bales, jointly and severally, in an amount in excess of \$75,000 and to be proven at trial, in additional compensatory damages arising from their dereliction and/or breach of fiduciary duties as officers, directors, and/or shareholders of PlayData LLC;
- E. For pre- and post-judgment interest at the highest rates allowable by law;
- F. For judgment against the Defendants Timothy J. Lock and William T. Bales, jointly and severally, for punitive damages in excess of \$75,000 and to be determined at trial;
- G. For judgment against Defendants Timothy J. Lock and William T. Bales, jointly and severally, for all attorneys' fees and costs expended by Plaintiff Charles Morris in bringing and prosecuting this action; and
- H. For any and all other relief deemed equitable by this Court under the circumstances.


Dated: November 2, 2012


Charles Morris, Plaintiff

Dated: November 2, 2012

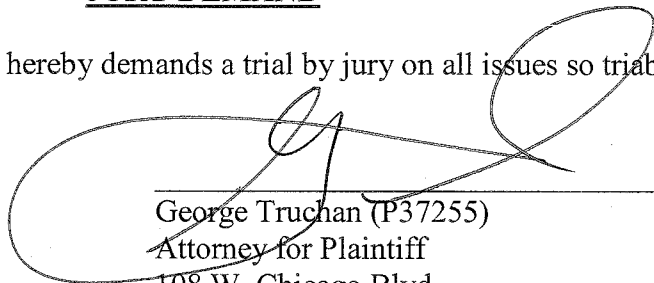
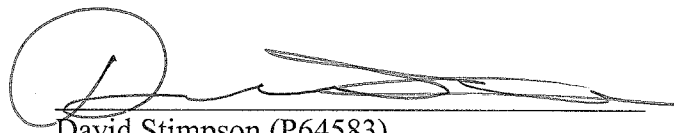

George Truchan (P37255)
Attorney for Plaintiff

Dated: November 2, 2012


David Stimpson (P64583)
Attorney for Plaintiff

JURY DEMAND

Plaintiff, Charles Morris, hereby demands a trial by jury on all issues so triable.


George Truchan (P37255)
Attorney for Plaintiff
108 W. Chicago Blvd.
Tecumseh, MI 49286
Phone: (517) 423-0999
Fax: (517) 423-7630
E-mail: truchanlaw@hotmail.com
David Stimpson (P64583)
Attorney for Plaintiff
108 W. Chicago Blvd.
Tecumseh, MI 49286
Phone: (517) 423-0999
Fax: (517) 423-7630
E-mail: dstimpson@stimpsonlaw.com